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## Farm Outlook

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# Farm Outlook...

THE NATION'S ECONOMY continues to advance slowly. The growth rate this year has been slower than anticipated -- but it has been steady.

Two points of view prevail about prospects for the coming year: Some expect a continuation of the recovery and expansion. Others believe that the rapid recovery and expansion started losing some momentum during summer and that the rate of expansion will slow down in the coming months. We're inclined toward the more optimistic view.

## CATTLE . . .

Cattle and calf numbers continue to expand in response to favorable feeder cattle prices and excellent range conditions. Beef production during the first half of 1962 was 2 percent larger than that of a year earlier -- and output for the second half probably will be slightly larger than year-ago levels.

Supplies of slaughter cattle the last months of this year probably will be larger than year-ago supplies. Slaughter, likewise, will increase during the first months of 1963. Reason: More cattle weighing under 700 pounds were on feed July 1, 1962, than a year ago. These cattle will come to market during late 1962 and the winter of 1963. As slaughter supplies of finished cattle increase, some price decline is probable -- but no drastic price pressure is likely unless marketings bunch badly.

More potential feeder cattle are on ranges this fall than a year ago -- but they're in stronger hands and will come to market later because of good fall range conditions. Feeder cattle average heavier in weight this fall than a year ago. And fewer cattle will be imported from Canada because of the improved feed conditions there.

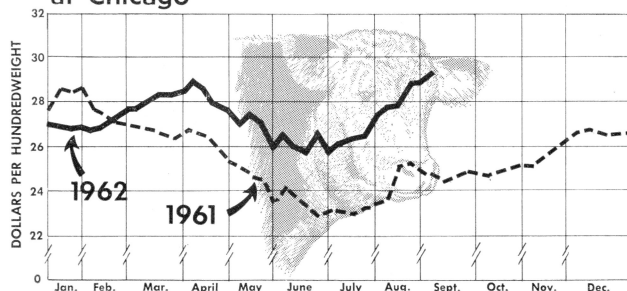
Cattle feeding profits this coming year aren't likely to be quite as good

as during the past year. Feeder cattle prices are higher this year than last. And fat cattle prices aren't expected to offset the higher feeder prices. So, margins between purchase price and sale price are likely to be smaller. Feeders will have to look primarily to profits from the pounds of gain cattle put on.

## HOGS . . .

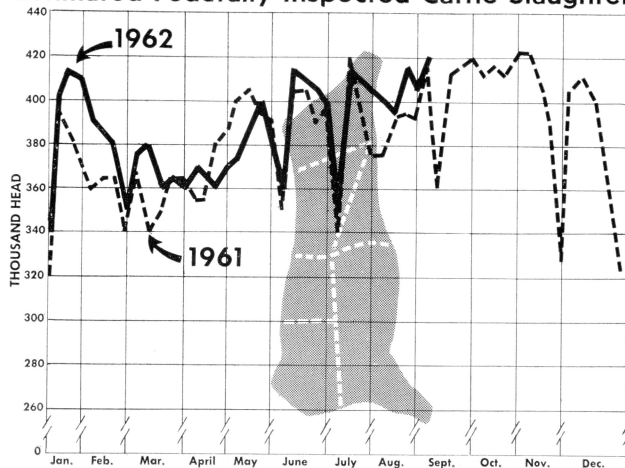
On Sept. 1, producers in the 10 main hog-raising states were planning a 4-percent increase in fall pig production. The 1962 spring pig crop for the nation

**Weekly Average Prices of Slaughter Cattle at Chicago**



Chicago cattle prices were \$4.60 higher on Sept. 1 than a year earlier. Prices are expected to trend downward, however, as supplies increase in late fall.

**Estimated Federally Inspected Cattle Slaughter**



Estimated federally inspected cattle slaughter continues above year-ago levels. Rising prices with increased slaughter indicate increased beef demand.

Floyd Andre Director

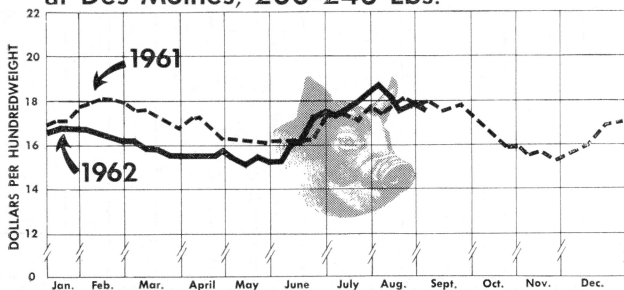
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was 2 percent smaller than a year ago. This means that hog slaughter during the final months of 1962 probably will be smaller than that of a year ago -- but that hog slaughter in the first half of 1963 will be slightly larger than year-earlier levels.

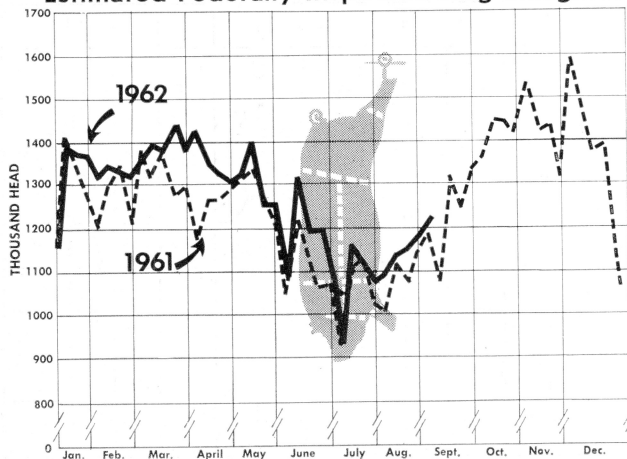
Hog prices for the last part of this year should average higher than those of a year ago, but prices for the first

**Weekly Average Prices of Barrows and Gilts at Des Moines, 200-240 Lbs.**



Hog prices moved above 1961 levels during July and early August this year but will decline seasonally as market supplies increase this fall.

**Estimated Federally Inspected Hog Slaughter**



Estimated federally inspected hog slaughter continues above that of the same period a year ago. Late fall slaughter may not be as large as that of a year ago.

half of 1963 may be little higher than in the same period of last year.

Hogs, however, will remain at the top of profitable livestock alternatives for 1963 on most farms. Efficient hog enterprises should continue to give reasonably good returns to labor, capital and management.

Seasonal price trends and fluctuations in 1963 are expected to follow closely to normal patterns. Planning for marketing in seasonal price periods, as well as efficiency in production, will determine your profits.

Efficient hog producers should stay in the hog business. Labor and capital requirements for raising hogs are less than for most other livestock. Hogs give a good return to management -- if this management ability reflects itself in disease prevention, high feeding efficiency, large litters and sufficient volume.

### LAMBS . . .

The 1962 lamb crop was down 4 percent from the crop of a year ago. The liquidation phase of the current sheep cycle seems to be over. We don't expect the pressure for sale of ewe lambs during the coming winter months that has plagued lamb feeding the last 2 years. Profit prospects from lamb feeding this winter look better than for the last couple of years.

The outlook position for native ewe flocks is much better than it has been for the past 2 years. Spring and summer lamb prices are expected to average better over the next few years than they did in 1960 and 1961.

-- Francis A. Kutish